

REMEDICATION AND REDEVELOPMENT (RR) NEWS FROM WISCONSIN DNR
June 3, 2003

RR PROGRAM ESTIMATES "REAL WORLD" BUDGET IMPACTS

In last week's listserv we summarized budget actions taken by the Legislature's Joint Committee on Finance (JFC) that affect the RR Program. (Last week's article is reproduced at the end of this listserv.) Many of you responded by asking for more information about the "real world" implications of these budget deliberations. Here are the best estimates from DNR on what these state funding reductions may mean.

The state budget deliberations are likely to affect the RR Program in two key areas:

- level of customer service due to staff reductions, and
- ability to respond to emergency and longer-term environmental contamination situations.

1. Level of Customer Service

The RR Program currently has 110 full-time employees (FTE) statewide, with 74.5 funded by the state and the remainder funded by federal grants to work on federal projects. JFC reduced 9.5 FTEs in the RR Program, on top of the 7 FTE reduction proposed by the governor, for a minimum reduction of 16.5 staff. This represents a 23% reduction in state-funded staff to oversee high priority cleanups and to assist with brownfields redevelopment projects.

JFC also included a \$1.27 million reduction in revenues to the Environmental Fund. DNR could compensate for this loss of revenue by:

- reducing funds to clean up high priority contamination sites,
- taking an equivalent reduction in funding for employees, or
- a combination of the two options above.

If DNR uses this \$1.27 million to fund cleanups at high priority sites, one option is to further reduce staff by an additional 15 FTE. If these 15 FTEs were taken from the RR Program, the total cuts to RR would be 31 FTEs, or almost 45% of all state staff.

Impacts would be noticed immediately in site closure approvals, redevelopment assistance, and liability clarifications and exemptions. The staff reductions would:

- 1) add an estimated 30 to 60 days to our current review times and increase our average 60-day backlog upward to 90 to 120 days;
- 2) significantly reduce maintenance of web-based information and our on-line database of contaminated land (BRRTs on the Web);
- 3) delay or eliminate publications designed to streamline cleanups;
- 4) reduce or eliminate assistance to local governments applying for state and federal brownfield grants and loans, and increase the time DNR would take to review applications for DNR brownfield grant programs; and
- 6) reduce or eliminate support to the Brownfields Study Group and development of initiatives of interest to this group, such as new environmental insurance options, a proposed brownfields agreement with EPA covering multiple federal clean-up authorities, and other innovative initiatives.

2. Ability to Respond to Emergency and Longer-term Environmental

Contamination Situations State-financed environmental cleanups (used when a viable responsible party cannot be found or one is not willing to conduct the necessary actions) would be significantly reduced from the current level of \$3.3 million in annual funding and \$6 million in bonding authority.

- As of July 1, 2003 (FY04), the state would have \$2.4 million available, which is a 28% cut in funds.
- As of July 1, 2004 (FY05), the state would have \$1.3 million available, or a 60% decrease in funds to address these high priority situations.
- Bonding money to fund longer-term environmental cleanups (approved by the governor at \$6 million) was denied by JFC.

The most immediate impact of these cuts would be that DNR would have little or no money to start or complete long-term investigations or cleanups of contaminated land. DNR would need to reserve its funds over the next two-year period for:

- Environmental and public health emergencies, such as spills to sensitive state waters, explosive vapors migrating into homes or businesses, and bottled water for residents impacted by contaminated groundwater.
- Operation of existing treatment systems (such as methane treatment and leachate collection systems) at 18 landfills and other contamination sites being cleaned up with federal and state authorities.
- Other minor funding obligations required by law or contract.

Implications of decreased cleanup funds include:

- Investigation of contamination, and long-term cleanups (such as those affecting public or private water supplies) would be placed on hold or turned over to EPA or local governments to address;
- Instead of dealing with the DNR, Wisconsin businesses would be dealing with EPA's Superfund and hazardous waste programs (and with potential federal cost recovery and enforcement actions);
- The state's ability to partner with local governments and others by agreeing to fund a portion of a cleanup while others pay for the rest would be eliminated;
- DNR would be unable to undertake responses to environmental problems (contamination from old landfills, leaking tanks, and buried chemical barrels) as we have in the past; and
- Potential cancellation of some or all of the existing contracts with environmental consultants and partnership agreements with local governments at contaminated properties.

A summary of these proposed cuts and their implications to the RR program can be located on the DNR web page, at http://www.dnr.state.wi.us/org/aw/rr/rbrownfields/99_00_budget.html. After JFC completes its budget work, the budget moves to the full Legislature for action, and then to the governor before it becomes law. Changes may be made at either step.

Reproduced here for your reference is the budget article from the May 22, 2003 "RR News from DNR":

JOINT FINANCE COMMITTEE ACTS ON RR PROGRAM BUDGET ITEMS

The Legislature's Joint Committee on Finance (JFC) has acted on budget

proposals affecting the RR Program. JFC voted to reduce funds for spill response, emergency actions (e.g. clean bottled water) and state-financed environmental cleanups by over \$800,000. They also deleted \$6 million the governor recommended in general obligation bonding authority for state-financed cleanups. JFC also moved to extend the December 31, 2003 sunset of the vehicle impact fee to December 31, 2005, rather than eliminating the sunset as proposed by the governor. In addition, JFC would retain the current \$9 vehicle environmental impact fee (payable at vehicle title transfers) rather than approving the governor's proposed increase to \$10.50. The vehicle impact fee is one of the primary funding sources for several environmental programs in DNR and other agencies. To address this reduction, the committee made significant reductions to staff and funding in DNR's Air and Waste Division, including the RR Program. Preliminary analysis shows this will mean a loss of at least 9.25 full time employees (FTEs) in the RR Program, in addition to the 7 FTE reduction already planned by the governor. Together, these reductions would represent a 22% reduction in state-funded staff in the RR Program. In addition to these cuts, JFC approved moving approximately \$1.3 million from the state Environmental Fund to the Agricultural Chemical Cleanup Fund. DNR is still evaluating the impacts of this final reduction on state-financed environmental cleanups, partnering on brownfield cleanups, and staffing.

In other action, JFC rejected the governor's proposal to consolidate all brownfield grant programs into one program at DNR. Instead, the committee maintained existing brownfield grants in Commerce (\$7 million annually) and DNR (annual Site Assessment Grants at \$1.7 million and Green Space and Public Facilities at \$500,000). JFC would allow DNR to award Green Space and Public Facilities grants for applications received in January 2003 using funds provided in the 2003-05 biennium, and would allow Commerce to award brownfield grants for applications received in October of 2002 from fiscal year 2003-05 funding. DNR is still reviewing all these actions and their implications and will provide more information as it becomes available. After JFC completes its budget work, the budget moves to the full Legislature for action, and then to the governor before it becomes law. Changes may be made at either step.

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